

KEY RECOMMENDATIONS

FOR FOOD AND BEVERAGE MANUFACTURERS

- 1 Evaluate key elements of product portfolios, including the healthiness, suitability for marketing to children, and affordability.**
 - Measure the healthiness of portfolios using a government-endorsed nutrient profiling model (NPM).
 - Assess the suitability of products currently marketed to children, using a World Health Organization (WHO) Regional NPM.
 - Evaluate affordability - in terms of accessibility for lower-income consumers and relative to their overall portfolios - of products meeting the definition of 'healthier' according to a government-endorsed NPM.
- 2 Set ambitious targets and policies that drive sales from healthier and affordable products and which limit marketing to children.**
 - Set specific, measurable, and time-bound targets to increase the proportion of sales from healthier products using a government-endorsed NPM, and link success against these targets to executive remuneration.
 - Align responsible marketing policies with WHO guidelines - including defining a 'child' as anyone under 18, and to not market any products to children or only market products to children defined as 'healthier' according to a WHO Regional Model or other government-endorsed NPM. This must apply to a comprehensive range of media channels and techniques.
 - Develop strategies, with targets, to expand the proportion of 'healthier' products that meet the companies' definitions of 'affordability', and improve the relative affordability of their 'healthier' products vis-à-vis overall portfolios.
- 3 Disclose key data on sales of healthier products and compliance with responsible marketing policies.**
 - Publicly report annual progress on nutrition strategies, including the proportion of global

portfolio sales derived from products defined as 'healthier' according to a government-endorsed NPM.

- Publish their rates of compliance with their own responsible marketing policies, as measured through global audits conducted by third-party auditors, including any instances of non-compliance and corrective actions taken.
- Prioritise nutrition as a material issue so it is systematically raised in all earnings discussions with analysts.

FOR INVESTORS

- 1 Recognise that nutrition is a key element of human health, and therefore a material issue for businesses and the economy.**
 - Recognise nutrition as a material issue for business, the economy, and society.
 - Push food companies to improve their nutrition governance, strategy, and disclosure practices.
- 2 Utilise existing nutrition frameworks to assess and promote company performance on nutrition.**
 - Leverage tools, such as ATNi's Investor Expectations on Nutrition, Diets, and Health, to evaluate company actions on nutrition and guide them towards progress on nutrition.
 - Require that companies disclose information on the healthiness of their product portfolios using a government-endorsed NPM.
- 3 Drive company accountability on nutrition through strategic investment actions.**
 - Drive progress and employ strategies, such as formal resolutions that call for transparency and standardised nutrition reporting using data and analysis from the Global Index.
- 4 Leverage influence to integrate nutrition into reporting standards.**
 - Work actively with governments; environmental, social, and governance (ESG) data providers; and industry bodies to ensure nutrition is embedded

within both voluntary and mandatory reporting frameworks.

- Mainstream nutrition in reporting standards to drive transparency and accountability across the sector.

FOR POLICYMAKERS AND GOVERNMENTS

1 Develop effective fiscal incentives.

- Implement a system of taxes and subsidies to incentivise healthier product options. For example, design a two-tiered levy that taxes producers of products containing excess sugar, salt, and/or fat. A government-endorsed NPM can be used to identify which products to tax.
- Use revenue generated by taxes in unhealthy products for health-related programmes.
- Consider production-related subsidies and how these influence the costs and availability of raw materials for producing healthier foods.

2 Adopt WHO recommendations for mandatory national policies to restrict the marketing of unhealthy foods to children.

- For the purpose of marketing, recognise a child as anyone under 18.
- Use a WHO Regional Model or government-endorsed NPM to identify unhealthy foods which cannot be marketed to children.
- Ensure that mandatory policies cover all marketing channels and techniques, including online and in schools.
- Create a mechanism for enforcement and punishment for violations.

3 Recognise nutrition as a material issue by including nutrition-related indicators in mandatory ESG reporting frameworks.

- Demand disclosures from food and beverage companies around their commercial activities and the impacts of these on health outcomes, as is done for environmental impacts.
- Mandate that companies publish key information; for example, the percentage of sales derived from healthier products.
- Mandate that companies publish data on performance on their marketing practices.

4 Mandate front-of-pack labelling.

- Mandate the use of a front-of-pack labelling system based on a government-endorsed NPM, which, at minimum, signposts unhealthy products, and require consistent application across all products.
- Educate consumers to support the understanding and use of the labels.